

November 6–7, 2008

Medicare's statutory authority to support delivery system reform

ISSUE: The pace of delivery system reform and improved efficiency in Medicare is slow, at best. At issue is whether Medicare should be a more active payer in order to increase the value of the program for beneficiaries and taxpayers.

KEY POINTS: Statutory provisions hamper the ability of Medicare to act swiftly and catalyze delivery system reform. The statute prevents Medicare from adopting many of the policies adopted by private payers. Some policy experts have concluded that Medicare lacks the flexibility to implement value-based policies and keep pace with market changes. Five case studies highlight some of the issues and obstacles that Medicare has faced in trying to implement value-based policies under its current statutory authority.

ACTION: We seek Commissioners' feedback of the issues raised in the paper and future areas for research.

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